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EX PARTE OR LATE FILED

December 14, 1999



VIA HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
The Portals, TW-A325
Washington, DC 20554

Re: WT Docket No. 99-168; *Ex Parte* Notice Filing

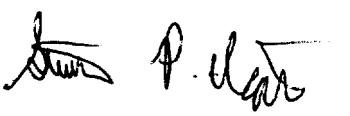
Dear Ms. Salas:

Pursuant to Section 1.1206(b) of the Commission's Rules, this letter provides notice that on December 13, 1999, Chuck Davin, John LoGalbo, and John Muleta of PSINet, Inc. and Ronald L. Plesser and Stuart P. Ingis of Piper Marbury Rudnick & Wolfe LLP (collectively "PSINet") met with the following individuals regarding the Commission's auction and service rules for the 746-764 and 776-794 MHz bands: Commissioner Susan Ness and Mark Schneider; Peter Tenhula of the Office of Commissioner Powell; Adam Krinski of the Office of Commissioner Tristani; Howard Schelanski, Chief Economist, and Evan Kwerel of the Office of Plans and Policy; and Tom Sugrue, Tom Stanley, Stanley Wiggins, and Mark Bollinger of the Wireless Telecommunications Bureau.

The attached outlines set forth the issues discussed during those meetings.

An original and one copy of this letter and its attachments are being filed. Should you have any questions, please contact the undersigned.

Sincerely yours,



Stuart P. Ingis

Enclosures

cc: Commissioner Susan Ness
Mark Schneider
Peter Tenhula
Adam Krinski
Howard Schelanski
Evan Kwerel
Tom Sugrue
Tom Stanley
Stanley Wiggins
Mark Bollinger

# PSINET, INC. EX PARTE MEETINGS
## FEDERAL COMMUNICATIONS COMMISSION
## DECEMBER 1999

PSINET IS A LEADING PROVIDER OF INTERNET SERVICES. THE COMPANY DESIRES TO USE THE 746-764 AND 776-794 MHZ BANDS FOR THE PROVISION OF FIXED TERRESTRIAL HIGH-SPEED WIRELESS INTERNET SERVICE.

### *ALLOCATION: 746-764 AND 776-794 MHZ BANDS SHOULD BE ALLOCATED TO INCLUDE WIRELESS INTERNET ACCESS*

- ALLOCATING SPECTRUM THAT CAN BE USED FOR THE PROVISION OF FIXED WIRELESS BROADBAND INTERNET SERVICE IS CRITICAL TO THE DEPLOYMENT OF COMPETITIVE BROADBAND INTERNET SERVICE
  - ✔ HIGH SPEED WIRELESS INTERNET ACCESS WILL PROVIDE A THIRD BROADBAND COMPETITOR TO DIGITAL SUBSCRIBER LINE (DSL) AND HIGH SPEED CABLE INTERNET ACCESS
  - ✔ PSINET WILL USE THIS SPECTRUM TO PROVIDE FIXED WIRELESS BROADBAND INTERNET SERVICE UTILIZING ITS EXISTING NATIONWIDE WIRELINE INTERNET BACKBONE
- WHY THIS SPECTRUM IS USEFUL FOR BROADBAND INTERNET
  - ✔ EXCELLENT MEANS TO DEPLOY REASONABLY PRICED HIGH SPEED AND BROADBAND INTERNET TO ALL AMERICANS, AND ESPECIALLY CONSUMERS IN RURAL AREAS
  - ✔ HOME, SMALL BUSINESS, AND LARGE BUSINESS APPLICATIONS
  - ✔ 746-764 AND 776-794 MHZ BANDS HAVE EXCELLENT PROPAGATION CHARACTERISTICS FOR FIXED INTERNET ACCESS

## *Size of Spectrum Blocks: License Spectrum in No Less Than 30 MHz Blocks*

- A Large Allocation Of Spectrum Is Required For The Provision Of High-Speed Wireless Internet Access
  - ✔ 36 MHz Of Spectrum Would Provide The Optimal Amount Of Spectrum Needed To Provide High-Speed Fixed Wireless Internet Access Service
  - ✔ 30 MHz Is The Minimum Amount Of Spectrum Required To Provide An Efficient And Economical High-Speed Wireless Internet Service
  - ✔ No Spectrum Has Been Allocated For The Provision Of High-Speed Internet Access Service, Which Is Rapidly Growing In Demand
- Smaller Spectrum Blocks Will Not Work
  - ✔ 20 & 10 or 15 & 15 Will Eliminate The Use Of This Spectrum For Fixed Wireless Broadband Internet Access
  - ✔ The Allocation of Large Spectrum blocks Would Ensure That The Spectrum Would be Used for the Provision of High-Speed Internet Service

## *Geographic Area: Establish No More Than Six (6) Regional Geographic License Areas*

- The Commission Should Establish No More Than Six (6) Regional Geographic License Areas For The Provision Of Fixed Wireless Internet Access Service Using The 746 – 806 MHz Band
  - ✔ Large Geographic Areas Are Needed To Make The Provision Of Wireless Internet Access Service A Viable Business
  - ✔ Large Regional Licenses Of Not More Than 6 Would Encourage Multiple Providers And Maximize Auction Revenue
  - ✔ Large Regional Licenses Will Allow For A Smoother And More Coordinated Plan To Relocate Incumbents In The Spectrum
  - ✔ The Need to Aggregate Smaller Blocks Would Delay And Impede The Prompt Buildout of Fixed Wireless Internet Access Service

# PSINET, INC. EX PARTE MEETINGS
## FEDERAL COMMUNICATIONS COMMISSION DECEMBER 1999

### COMPETITIVE WIRELESS INTERNET ACCESS REQUIRES 30 MHz BANDS

I. THE FIXED INTERNET ACCESS MARKET IS A BETTER USE OF THIS SPECTRUM THAN THE 3G WIRELESS TELEPHONY MARKET.

A. SUPERIOR QUALITY OF SERVICE—THROUGH THE USE OF SPECIALIZED ANTENNAE AND PROCESSING TECHNIQUES, FIXED STATION LOCATIONS CAN MORE EFFICIENTLY ACCOMMODATE MULTI-PATH PROPAGATION EFFECTS THAN MOBILE STATIONS.

B. GREATER CAPACITY—DUTY CYCLES FOR ACTIVE INTERNET USERS RANGE FROM 20% TO AS LOW AS 2%. FIXED WIRELESS TECHNOLOGIES ALLOW FOR USE OF THE SPECTRUM BASED ON CUSTOMER DEMAND. AS A RESULT, THROUGH STATISTICAL MULTIPLEXING, FIXED BROADBAND SERVICES CAN SERVE MORE INTERNET ACCESS CUSTOMERS THAN 3G TECHNOLOGIES.

II. SPECTRUM BANDS OF AT LEAST 30 MHz ARE NECESSARY TO PROVIDE COMPETITIVE SERVICE TO DSL. FRAGMENTED SPECTRUM ALLOCATIONS ARE NOT ECONOMICALLY SCALABLE TO BE OFFERED AT PRICE POINTS THAT CAN EFFECTIVELY COMPETE WITH OTHER BROADBAND OFFERINGS SUCH AS DSL.

A. SPEED—TO BE COMPETITIVE WITH EMERGING DSL OFFERINGS IN THE BUSINESS AND SOHO MARKETPLACE, FIXED WIRELESS ACCESS MUST SUPPORT SYMMETRIC, PER-CUSTOMER DATA RATES OF 2MBPS (RANGING FROM 512KBPS TO 6MBPS).

B. COSTS—WIRELESS BROADBAND COSTS MUST BE IN THE RANGE OF $40-$100 MONTHLY PER CUSTOMER TO BE COMPETITIVE WITH DSL AND CABLE BROADBAND OFFERINGS

IN ADDITION TO COSTS FOR FINANCING OF THE SPECTRUM, COSTS OF HUB AND CPE RANGE FROM $150-200 K. THIS REQUIRES THAT EACH HUB MUST BE ABLE TO SUPPORT AT LEAST 100 CUSTOMERS.

PROVIDING BROADBAND SERVICE IN 20MHz COMPARABLE TO THAT PROVIDED IN 30MHz OF SPECTRUM REQUIRES EITHER INCREASED SPATIAL DENSITY OF HUB STATIONS OR INCREASED TRANSMITTER POWER FOR BOTH HUB AND CPE EQUIPMENT. EXCEPT IN REGIONS WITH VERY DENSE MARKET PENETRATION, SUCH INCREASES WILL INCREASE THE COSTS OF PROVIDING SERVICE FROM 30 TO 45 PERCENT BEYOND THE COMPETITIVE BUDGET.